

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: April 10, 1995

SUBJECT: **HB 1318**

This bill, if enacted, will lower the professional fee tax from \$200 to \$95 for each professional with an active license practicing on a part-time basis. The bill defines part-time as one week or less a month for more than seven of the prior twelve months.

This bill will also allow professionals liable for the privilege tax to elect to pay the tax bimonthly, quarterly or annually. Further, the bill deletes from the statutes the delinquency provision relative to such tax.

The fiscal impact from enactment of this bill is estimated to result in one-time state expenditures of \$41,900. The expenditures represent costs to the Department of Revenue for systems modification for registration, audit and processing of returns and office, audit and exam expense. These systems modifications would be needed to distinguish a part-time professional from a full-time professional.

The enactment of this bill is also estimated to result in a decrease in first year state revenues from the number of professionals who presently are paying the \$200 professional fee but declare part-time status and pay \$95. This amount will be offset by any professionals who

have declared inactive status and do not pay the \$200 fee but reactivate their license in a part-time status and pay a \$95 professional fee. The net impact on state revenues cannot be reasonably determined but is estimated to result in a net decrease in first year state revenues in excess of \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style with a large initial "J".

James A. Davenport, Executive Director